



# **Memorandum**

*Bureau of the Public Debt*

Date: August 17, 2006

To: Chief Operating Officers  
Treasury Franchise Fund Members

From: Matthew Bumgarner, Manager  
Funds Management Branch

Subject: FY2006 Year-end Close Schedule

As year-end approaches, I wanted to take some time to review the closing process and to make you aware of the due dates (See attached timeline) associated with that process. It is imperative for FMB and TFF to work together to meet these deadlines in order to achieve a successful year-end close. If you have any questions or concerns, please do not hesitate to contact Mendy Fairbanks, Dana Morr, or myself.

## **YEAR-END GENERAL LEDGER CLOSE PROCESS:**

The SEP/06-06 (AP 12 06) period will be used for the normal monthly processing of September activity. This period will close on Tuesday, October 3<sup>rd</sup>. The AP 12 06 TIER submission will be used by ARC to prepare the final FY 2006 trial balance and financial statements, and by Treasury to produce your FACTS II (Federal Agencies' Centralized Trial Balance system) submission. You will be provided a pre-closing trial balance as of AP 12 06 by October 18<sup>th</sup> for certification of FACTS II (certification due to ARC by Tuesday, October 24<sup>th</sup>) so that we can certify FACTS II data before the window closes on October 26<sup>th</sup>.

Any audit adjustments approved by TFF will require a resubmission of TIER/FACTS II and will result in a revised trial balance and financial statements. AIC approval will be required for any TIER resubmissions after October 10<sup>th</sup>.

The year-end close process closes nominal accounts (revenue and expense accounts) into equity accounts. For example, ending revenue balances close into equity and increase it, while ending expense balances close into equity and decrease it. The net of the two closing entries will result in an increase or decrease to your "Cumulative Results of Operations" account.

The closing process also closes various budgetary accounts into summary accounts. Some accounts, however, remain open and do not get closed in this process. For example, "Undelivered Orders – Obligations Unpaid" (SGL 4801), "Undelivered Orders

– Obligations Prepaid” (SGL 4802) and “Delivered Orders – Obligations Unpaid” (SGL 4901) do not close.

FY 2006 ending balances will be carried over as the beginning balances for FY 2007.

### **OPEN ITEMS:**

Outstanding items such as customer agreements, receivables, expense accruals, and obligations will remain open at year-end. The auditors will review each of these balances in detail. Therefore, it is critical that you continue to conduct thorough reviews of these items over the next two months to ensure the balances remain valid and can be substantiated under audit scrutiny.

As you know, reports that detail your entity’s open items are available in Discoverer. On a quarterly basis, each office has been running these reports and certifying the completeness, accuracy, and validity of the open items.

In accordance with the year-end timeline, your entity is required to run the open items reports and provide FMB with the open items certification by **COB September 13<sup>th</sup> and noon (EST) on September 29<sup>th</sup>**. It is critical that the September 13<sup>th</sup> preliminary review be thorough enough to ensure only adjustments for changes that occur after September 13<sup>th</sup> are forwarded to FMB for processing on subsequent dates, including September 29<sup>th</sup>.

### **Accounts Receivables (A/R):**

A review of your account receivable balances will allow you to ensure you have billed for all of your services. In addition, you should be able to determine if any customers have been billed twice. We have had several audit issues involving these balances in the past. Please make sure all accounts receivable balances are supportable and accurate.

As you know, beginning December 2005, a new policy for the monitoring of accounts receivable was put into place. The purpose of this policy is to ensure accounts receivables are monitored and collected in a timely manner. As a result, each entity has been required to submit an analysis of accounts receivables aged in excess of 180 days. This analysis has typically been due no later than the 15<sup>th</sup> of each month for accounts receivables aged in excess of 180 days as of the previous month. For year-end, you must provide FMB with this analysis as support for the FY2006 audit by **noon (EST) on September 29<sup>th</sup>**.

If you believe collectable accounts receivables aged in excess of 180 days exist from government customers, you must work with your customer and submit an IPAC collection spreadsheet to your accounts receivable technician for processing by the due date on the attached timeline.

## **Obligations:**

There are circumstances that require obligation balances remain open at year-end. These are:

1. The period of performance on the order crosses fiscal years. For example, if you entered into a contract for security services from July 1, 2006 through June 30, 2007, any amount remaining on the contract would remain obligated at year-end.
2. An order for goods or services has been placed prior to year-end but has not been received. For example, if you ordered a good/service on September 15 (FY06) and do not receive it until October 20 (FY07), the obligation would remain open at year-end.
3. An order of goods or services has been placed and you estimate the amount received at year-end. For example, assume that you have a delivery order with a remaining open balance of \$100,000 and you accrue an estimate of \$90,000 at year-end. The obligation should remain open (open balance would be \$10,000) to ensure that funding is available in the event that the accrual is underestimated.

All other obligation balances should be reduced.

For obligations that are no longer valid, there are various methods of deobligating them. The correct method to use is determined as follows:

### **BPA's:**

Submit the "Open Obligations" report in the "Federal Status of Funds" Workbook with a column added to the far right identifying the amount to be deobligated to your accounts payable technician.

### **Interagency Agreements:**

Send the fully executed modification to the interagency agreements to your accounts payable technician. If the obligation document number, line, and shipment amount to be deobligated is not clearly identified on the hard copy interagency agreement, please provide this information to your accounts payable technician.

### **Contracts (Fixed Amount, Not-to-Exceed (NTE) and Simplified Acquisition Obligations (Less than \$100,000):**

Prepare a "Req for Mod" in PRISM to deobligate contracts and simplified acquisition obligations. Once the "Req for Mod" has been approved in your office, ARC's procurement staff will process the deobligation in PRISM, which will then interface to Oracle.

Remember that you should only process deobligations if you are certain that all supplier invoices applicable to them have been received. If you formally deobligate funds through procurement for fixed amount orders (does not include NTE orders) and then

you exceed the remaining amount left on the purchase order, contract, etc. you will be in a claim situation. Therefore, we recommend that you do not formally deobligate funds until you receive the final payment notice from the vendor or unless you are certain that remaining funds are not necessary.

In cases where you are informally deobligating funds (BPA's and NTE orders), you are only deobligating the funds in the accounting system. The order still actually has the funds available on it. If you were to exceed the amount in the accounting system and not the amount remaining on the obligation, a claim would not be necessary. We would simply add back sufficient funds that were previously informally deobligated.

It is important to understand the remaining budget spending authority (and the cash) that you have at year-end will carry forward into the next year because of our revolving fund authority. You do not lose these funds at year-end. However, you are still bound by appropriation law, which only allows you to enter into obligations for up to a year. Therefore, you will need to establish new orders if the goods and/or services are to be extended into the subsequent fiscal year.

### **YEAR-END ACCRUALS:**

It is important to be conservative in estimating your year-end accruals. This does not mean that you intentionally change accrual numbers to the extent they do not accurately reflect your business. The principle of conservatism requires that you not overestimate your revenues or under estimate your expenses. As a result, you can be reasonably comfortable that if the actuals differ from the accruals, the amount of net profit you reported in the previous year will only increase.

To ensure that intra-fund activity is in balance at year-end and to allow FMB to be able to provide your accrual information to Treasury partners, we have established two revenue and expense accrual due dates for FY2006. In accordance with the year-end timeline, revenue and expense accruals are due as follows:

Intra-fund and Intra-Treasury*	<b>September 25<sup>th</sup></b>
All others **	<b>September 27<sup>th</sup></b>

\*For Treasury eliminations purposes, the actual interagency agreement number must accompany all Intra-Treasury revenue and expense accruals. Providing this information will assist trading partners with posting the offsetting revenue or expense accrual on their books. If the interagency agreement number is not provided, the accrual will not be posted.

\*\* These accruals should include non-government, non-treasury federal partners, employee awards, etc.

### **Non-Payroll Expense Accruals:**

You should record expense accruals for all goods and services that **have been received prior to September 30, 2006**, but for which you have not yet been invoiced by the vendor. If you receive and certify an invoice and submit it to you accounting

technician before the year-end invoice cutoff date (September 26<sup>th</sup>) the invoice will be processed in AP SEP/06-06 and you will not need to include the item on your expense accruals. All other items must be included in your accruals.

As always, expenses are required to be accrued by individual order and the amount accrued CANNOT EXCEED THE AMOUNT REMAINING ON THE ORDER. This means that you MUST review the "Amt Outstanding – Amt Accrued" balance column on the Obligation tab of your Federal Status of Funds workbook and ensure that your accrual amount is not greater than that amount. If you feel that your year-end accrual will be greater than the balance that is available, you must work with Procurement to get the order amount increased.

As the year closes, budgetary authority will be left in BFY (Budget Fiscal Year) 06 to cover the expense accruals. As payments are made in FY07 against the BFY 06 open obligations and accruals, they will close the outstanding balances and use the budget authority that was held in BFY 06 to pay the expenditures. If the expenditures or payments are more than the open amount obligated and/or accrued, BFY 07 funds will be used to cover the upward adjustment. If the expenditures or payments are less than the open amount obligated and/or accrued and the remaining balances are deobligated or deaccrued, those funds will become available to fund obligations incurred in FY07.

### **Year-End Payroll Accruals:**

The ARC payroll group will post your year-end payroll accrual based on information received from the payroll service provider. The accrued payroll at September 30, 2006, will be for 10 working days of pay period 19 and will be based on pay period 17. We plan on having the accrual recorded within one day of completion of the last customer's adjustment file for pay period 17. We anticipate having the accrual recorded by September 22nd. If additional accruals are necessary for items such as bonuses, presidential appointees paid at a different time, etc.; please send amounts and accounting information to [PayrollAccounting@bpd.treas.gov](mailto:PayrollAccounting@bpd.treas.gov) (and copy your reporting accountant) by September 22, 2006. Please provide us with as much information as you can for the accrual adjustments. This helps us answer questions for the auditors. Both the automated and manual accruals will be posted in September and reversed in October of BFY 2006. Pay period 18 will be posted during the week of September 25, 2006. Prompt response on questions will allow us to post payroll more quickly. Payroll for most agencies will be completed by September 28, 2006. NFC will not provide a separate adjustment file for pay period 19, but they will send a year-end file on the same schedule (October 2). These files will be processed on October 2-3, 2006. Please keep these dates in mind when trying to determine your available funds.

### **Payroll Expense Reclassifications**

All reclassifications for payroll posted October-August must be submitted by September 8, 2006. Reclassifications for pay period 17 must be submitted by September 18 to be reflected in the accrual. All reclassifications for payroll posted in September must be submitted by September 29, 2006. Since they will be completed in the order received, earlier submission will result in earlier completion. Any corrections received after the

due dates will be held for processing until all regular payroll and timely change requests have been processed.

### **Revenue Accruals:**

Revenue accruals are handled differently because they are not referenced by actual collections in future AP's. The amount of revenue reported for FY06 will be the total amount actually billed and collected through September 30, 2006 and your September 2006 revenue accrual (which represents estimates of the amount of revenue that has been earned but not yet billed). Revenue accruals are reversed the first day of the next fiscal year. If the actual bill amount determined and billed in FY07 is greater than or less than your September revenue accrual, the difference will be reflected as an increase or a decrease to your FY07 revenue.

For example, if you accrue \$10,000 in FY06 and bill \$6,000 in FY07, your FY07 revenue would be reduced by \$4,000. We would then determine if a prior period adjustment is necessary at year-end FY07 based on the cumulative totals of ALL Fund members.

**Revenue accruals must be provided at the customer level.** This is needed to breakdown the revenue information for the financial statements and also for eliminating entries. The Fund's external reporting requires a breakdown of revenues and accounts receivable by government and non-government. The government category is further broken down between treasury and non-treasury entities. Generally, government transactions are with Federal entities and non-government transactions are with states, local governments or private organizations.

Transactions between federal government entities are eliminated within the government-wide consolidated financial statements. To accomplish this, we are required to provide Treasury with a listing of all Intra-Government and Intra-Treasury transactions and the year-end balances for those transactions. For example, assume that you are providing services to the IRS and have accounts receivables established at year-end. Appropriate intra-governmental eliminations require that the IRS have an accounts payable on their balance sheet at year-end. These balances are then offset when the trial balances are rolled up to the Treasury/government-wide financial statements.

FMB will be validating that the revenue accrual amount does not exceed the guarantee available amount in Oracle. If the revenue accrual amount exceeds the available amount, we will notify you but will not post the revenue accrual until there is sufficient funding on the guarantee. Therefore, it is crucial you provide accurate updates to your preliminary operating plan on September 13<sup>th</sup> as indicated on the attached year-end timeline.

### **OTHER ACCOUNTING ENTRIES:**

#### **Other Post Employment Benefit (OPEB) Costs/Financing Sources:**

In the SEP/06-06 AP, we will be posting adjustments to the OPEB entries that we have been recording throughout the year. These entries record post employment benefit



costs for pension, health, and life insurance benefits. In order to show the “full cost” (to the tax payer) of doing business, each agency is required to recognize their share of the cost of providing pension benefits (CSRS or FERS) to eligible employees. This is accomplished through recognizing an expense for the future cost of post-retirement health and life insurance benefits for their employees while they are still working. However, at the same time an equal amount is recorded as an imputed financing source to offset the expenses, thus the net effect is \$0 on your operations.

The key to understanding these costs is that you are not paying for them and no cash will be disbursed from your account. These costs are paid by other entities through appropriations/funds set up for this purpose. (See example below)

Statement of Profit & Loss			
They net to \$0 and have no impact on Net profit.	→	Revenue	\$ 30,000
		Other Financing Sources	1,000
		Total	<u>\$ 31,000</u>
	→	Cost of Services Sold	\$ 25,000
		Operating Expenses	3,000
		Post Retirement Benefit Costs	1,000
			<u>\$ 29,000</u>
		Net Profit	<u><u>\$ 2,000</u></u>

### Funded Leave Liability:

Your agency’s year-end leave liability will be calculated by multiplying your employees’ annual, compensatory and restored leave balances by their year-end hourly pay rate as of the close of pay period 18 (September 16<sup>th</sup>). Your agency’s leave liability is calculated and posted in conjunction with the corresponding payroll abstract each pay period.

### PRELIMINARY AND FINAL FY06 / INITIAL FY07 OPERATING PLANS :

#### Preliminary FY06 Operating Plan Updates:

Preliminary FY06 operating plans should be submitted with your open items certifications that are due by **COB September 13<sup>th</sup>**. This submission should include all customer agreement activity since the date you last submitted an updated operating plan to your accounting technician.

Please be certain to carefully review your signed agreements and ensure that the amounts reflected on your operating plan are in accordance with your agreements and work with your customers to reduce the agreement amounts on original estimates that are not being realized.

## **Final FY06 Operating Plan Updates:**

Your final operating plan update is due by **NOON (EST) on October 2<sup>nd</sup>**. It is critical that your final FY06 operating plan be supported by signed agreements with your customers and include only amounts that you believe will be realized. For example, assume that you received a \$500,000 funding document/agreement early in FY06 that covered the period January 1, 2006 thru September 30, 2006.

- If you have billed, collected and accrued only \$250,000 through September 30<sup>th</sup>, you must work with your customer to reduce the agreement amount down to a reasonable level. If care is not taken in this area, you risk becoming anti-deficient if your obligations exceed your authority when the authority is subsequently removed.
- If you have billed, collected and accrued \$480,000 on the agreement you are not required to remove the remaining balance of \$20,000 unless you receive an amended agreement from your customer. Since you should be conservative in estimating your revenue accruals, this amount would be available to enable you to bill your customer in excess of your accrual in FY07.

If you have customer agreements that cross fiscal years, you should include the full amount of these agreements in your FINAL FY06 operating plan. Please note that new agreements that begin on October 1, 2006 must not be included in your FY06 FINAL operating plan but should be included in your initial FY07 operating plan (see below).

## **INITIAL FY07 Operating Plans:**

Initial FY07 Operating plans must be submitted by **October 7<sup>th</sup>**. This submission should include all new agreements received that cover periods beginning October 1, 2006.

If you have customer agreements that cross fiscal years, you will need to include the carryover balances (from FY06 to FY07) on your updated operating plan that is due on **November 14<sup>th</sup>**.

Once final carryover amounts are known and included on your FY07 operating plans, we will back out the FY06 balances, thus leaving the carryover balances only in your FY07 operating plan.

## **FINANCIAL STATEMENTS:**

Our office will be preparing the consolidated financial statements for the Fund. The Fund is required to prepare a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Financing.

The format and breakdown of the statements prepared for the Fund will be different from the monthly statements you receive, however, the balances (net of intra-fund activity) will be the same. You can run your entity's FINAL YE financial statements in Discoverer on October 4<sup>th</sup>. These statements will include all September 2006 accruals



and the estimated to actual YE adjusting entries that will be posted in the SEP/06-06 AP. They will not include any audit adjustments recommended by our auditors, if applicable. You will be notified if audit adjustments are recorded that impact your entity's final statements.

### **Commitment and Contingencies:**

Please advise us of any claims and/or pending litigations that could result in the obligation/expenditure of financial resources. We will need to record these items before closing.

### **Management Discussion and Analysis (MD&A):**

Most of the MD&A can be completed now and we would suggest that you get an early start. If you would like us to assist you with any information you would like to put in the report, please get those requests to us no later than September 15, 2006.

### **Capitalized Assets:**

We will provide you a list of capitalized assets by September 8, 2006 for your review to determine if any assets need to be added or deleted, based on your periodic physical inventory. We encourage you to identify capitalized assets when making purchases by so noting on the purchase request, receiving report, or certified invoices. If we can be of further assistance in this area, please let us know.

### **New Year Reminders:**

Please notify us as soon as possible if changes to your accounting structure are needed. These changes should be made prior to entering any purchase requests for the new fiscal year.

Please look for the new Budget Object Code listing for FY 2007 on your customer web page.

SF 132s and/or financial plans should be submitted as soon as possible to our Reporting Section, but no later than October 10, 2006. Also, please notify us of any expected changes for the coming year that may affect your accounting needs, such as additional appropriations or new types of authority.

### **Year-end Reports**

The following year-end reports will be submitted for your agency. We will provide you with a copy of the reports for your review and approval before submitting them. Please note that all of the dates are earlier than last year.

- **FACTS II** (Report on Budget Execution) due **October 26, 2006**  
The report on budget execution shows the status of budgetary resources and indicates whether funds are obligated, unobligated and available, or unobligated

and unavailable. It also shows the disbursements and collections for the Fiscal Year.

- **FMS 2108 (Year-end Closing Statement) due October 26, 2006**  
The report provides year-end cash balance, accounts receivable, unfilled customer orders, unpaid obligations and unobligated balance as of September 30th.
- **Report on Receivables Due from the Public due November 15, 2006**  
This report captures the receivable data relevant to the provisions of the Debt Collection Act.

### **U.S. Government Standard General Ledger (USSGL)**

The USSGL provides a uniform Chart of Accounts and technical guidance to Federal agencies to support preparation of standardized external reports. There is a website [www.fms.treas.gov/ussgl/](http://www.fms.treas.gov/ussgl/) that explains in detail the changes and provides other relevant information. Of course, we will be available to provide any information you need in this area, and we will ensure our systems are compliant with current USSGL guidance.

### **TRAVEL:**

Each year, ARC Travel Services provides year-end guidance to travelers in order to ensure a smooth transition from one fiscal year to the next. We have broken down the guidance this year by document (authorizations, vouchers from authorizations, local vouchers) and miscellaneous information. We hope this will be helpful when creating documents for the new fiscal year and clearing out any outstanding trips for 2006.

### **Authorization Guidance:**

**FY2006 Travel – August 31 Year-end Cutoff** – Authorizations for travel to be performed before September 30, 2006 should be approved by August 31, 2006 in GovTrip.

### **Contract Fares And Continuing Resolution:**

Agencies cannot obligate funds for a new fiscal year until the funding is available. Until an agency receives funding for FY 2007, only Government contract fares can be reserved for trips beginning after October 1, 2006, or a trip beginning before this date but the return segment is not until after October 1, 2006.

In the event of a continuing resolution (CR), travelers should only reserve Government contract fares. Contract fares are not issued until 3 days prior to departure. Therefore, if the Government is under a CR, the contract ticket could be cancelled without penalty. Acceptable FY07 contract fares are highlighted in yellow or green and are currently available in GovTrip.

Penalty fares are highlighted in red in GovTrip and should not be used until the FY07 budget has been passed for your agency.

#### Trips Crossing the Fiscal Year:

Travel that begins in fiscal year 2006 that extends beyond September 30, 2006 will initially be prepared as one document (created by traveler/document preparer) in GovTrip due to the on-line booking of reservations. When the approved authorization is submitted for processing, ARC Travel Services will create an amendment to include expenses for the September portion of the trip and will also create an authorization for the October portion. ARC Travel Services will contact the traveler/document preparer if further information is needed. Both of these documents will need to be re-routed for approval.

The October trip will remain in the created status until the 2007 accounting is entered in GovTrip on September 11, 2006. ARC Travel Services will add the 2007 accounting to the October authorization and route it through the normal routing.

**Travel Authorizations for FY2007 – If possible, please do not enter electronic documents for travel occurring after September 30, 2006 until GovTrip is updated with the 2007 accounting on September 11, 2006.**

Authorizations for travel occurring on or after October 1, 2006 require a fiscal year 2007 accounting code. For single year appropriations, the authorization should contain a comment “Travel is contingent on availability of fiscal year 2007 funds” until appropriations are passed. The traveler is responsible for verifying that the funds are available prior to departure. The program office, agency budget contact, or ARC travel help desk can tell the traveler whether funds are available

Documents for travel to be performed after September 30 may be prepared and routed in GovTrip beginning September 11, 2006. If the travel authorization must be created prior to September 11, please call the ARC travel help desk for assistance.

#### **Voucher Guidance:**

##### FY06 Vouchers:

Please voucher timely to close out all 2006 vouchers since the 2006 accounting will be deleted from GovTrip on December 1, 2006. If you still have an open obligation on November 1, 2006, our office will send an email to your agency's travel contact. They will be responsible for contacting you and asking you to voucher before December 1, 2006.

##### Vouchers Crossing the Fiscal Year :

When returning from your trip, please keep in mind that you need to create two vouchers, one from the September authorization (FY06) and one from the October authorization (FY07).

## **Local Voucher Guidance:**

When creating local vouchers in GovTrip, please create a document for each fiscal year's expenses. **You cannot claim 2006 & 2007 expenses on the same document.** Use caution when selecting the correct accounting.

## **Miscellaneous FY2007 Travel Information:**

Any unexpected or local travel needs for fiscal year 2006 arising during the month of September should be entered and approved in GovTrip as soon as possible.

### Default Accounting:

If you use the default accounting feature, please re-select the appropriate fiscal year 2007 accounting in the traveler's GovTrip profile. Please be careful when selecting accounting after September 11, as both fiscal year 2006 and 2007 accounting will be in GovTrip until 2006 accounting is deleted on December 1, 2006.

### TAV Fees:

The amount of the TAV fees will be reduced on 11/12/2006 as follows:

- TDY Voucher \$13.50 Charged at time voucher is approved
- Local Voucher \$6.50 Charged at time voucher is approved

### TMC Fees:

There will be a minimal change in the costs of the TMC fees on 11/12/2006.

**Please call the ARC travel help desk at 304-480-8000 (Option 1) if you have any questions or need assistance with any of this guidance.**

## **Permanent Change of Station:**

**(Does not apply if your agency isn't serviced by ARC for Relocation Services)**

All travel and transportation expenses for a transferred employee are obligated against the appropriation current when the travel orders are issued. The one exception would be for home sale service contracts that are awarded at a later date when the obligation results from the date of the contract with the private firm rather than the transferee's authorization.

## **FY2006 Relocation Travel Authorizations:**

All new relocations using FY2006 funds should be initiated with Relocation Services Branch (RSB) by the end of August and approved by the agency by September 14 unless your agency guidance has established an earlier cutoff for obligations.

Several actions must occur before a travel authorization can be prepared and sent for approval in order to obligate funds. The employee provides required information to RSB. The carrier is notified and performs an on-site visit to provide an estimate of costs for the shipment of household goods. The relocation coordinator then counsels the employee on the appropriate relocation allowances. RSB will do everything we can to keep the process moving in order to complete the travel orders before the 14th. Our billing cutoff for RSB services is also September 14 so any relocation not approved by then will be charged at the October rates for the new fiscal year.

### **FY2007 Relocation Travel Authorizations:**

The Request for Relocation may be sent to RSB anytime after August 31st and we will start the preparation actions for the Travel Authorization. The authorization will be prepared with a comment that the relocation is contingent on availability of FY07 funding. No expenses related to the relocation can be incurred by the traveler prior to obtaining an approved travel order and the availability of funding is confirmed.

There are no unusual requirements for voucher and tax processing at the end of the fiscal year. However, because of the tax consequences of certain relocation reimbursements, timely processing at the end of the calendar year is important.

**If you have any questions regarding the Permanent Change of Station Guidance, please contact Denise Stinn at 304-480-8479.**

### **PROCUREMENT:**

#### **Cut-off:**

In order for Procurement to complete FY 06 work in an orderly and timely fashion, we have established a cut-off date of COB August 18, 2006, for all requisitions intended for award prior to September 30, 2006. Requisitions received after that date will be held for processing until all timely requests have been processed. Any open market actions over \$25,000 or large schedule buys will take considerably more time and you should contact Procurement immediately if you are aware of a requirement that has not yet been submitted.

#### **Option Renewals:**

For option renewals, you should provide the purchase request, changes to the requirement (if any) and a revised Independent Government Estimate (IGE) (if necessary).

#### **New Requirements:**

For new requirements, you should provide the following items: procurement request, market research documentation, performance work statement, evaluation factors, IGE, sole source justification (if necessary), and any other documents deemed necessary.